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Division Director

November 28, 2017

DWR Project #14-0957 v2
Northampton, Halifax, Nash,
Wilson, Johnston, Sampson,
Cumberland and Robeson Counties

Atlantic Coast Pipeline, LLC
Attn: Ms. Leslie Hartz
707 E. Main Street, 19th Floor
Richmond, VA 23219

Subject: REQUEST FOR ADDITIONAL INFORMATION
Atlantic Coast Pipeline

Dear Ms. Hartz:

On May 8, 2017, the Division of Water Resources (Division) received your application dated May 3, 2017, requesting an Individual Water Quality Certification / Buffer Authorization from the Division for the subject project. Additional information was requested by the Division on June 27, 2017 and received on July 12, 2017. Two public hearings were held on July 18 and 20, 2017 in Fayetteville and Rocky Mount, respectively, with a public comment period from June 16 – August 19, 2017, to receive public comments on the proposed project. Comments received are available for review at the following link:

<http://edocs.deq.nc.gov/WaterResources/0/fol/548242/Row1.aspx>.

Based on the comments received, additional information was requested by the Division on September 14, 2017 and responses were received on September 22 and 29, 2017. Department of Environmental Quality, Division and Atlantic Coast Pipeline (ACP) representatives met on September 29, 2017 to discuss the additional information that was received by the Division on September 22, 2017. On October 16, 2017, the Division received follow-up information from that meeting. The Division requested additional information again on October 26, 2017 and received a response on November 4, 2017. The Division had a conference call with ACP on November 7, 2017 to discuss the additional information that was received by the Division on November 4, 2017 and received follow-up information on November 15, 2017.

The Division has determined that the following additional information is necessary to continue to process your application [15A NCAC 02H .0502(c), 15A NCAC 02B .0233(8) and .0259 (8)]:

1. In our conference call, Division staff explained that ACP's Indirect and Cumulative Effects (ICE) Screening lacked an analysis of the project's potential to stimulate economic development and its potential impact on water quality. Staff suggested maps of available water and sewer infrastructure overlaid with the pipeline route, water resources, and existing developed areas and roadway infrastructure would be helpful to identify areas with potential to experience project-induced growth (within the County, not County-wide). Once these areas are identified, a more detailed discussion of the potential for *each specific area* to experience project-induced growth must be provided.
 - a. Although ACP provided the mapping suggested by staff, there was no analysis of the information provided in the maps, specific areas were not identified, a detailed analysis of each area's potential for project-induced growth was not completed, nor was there a detailed discussion of the regulatory framework that may be in place or needed to protect water quality. Please include each of these in your analysis.
 - b. Excerpts below from Guidance for Assessing Indirect and Cumulative Impacts of Transportation Projects in North Carolina Volume II¹ explain the analysis should include comparing forecasts of future conditions with and without the proposed project along with an explanation of the underlying system of logic used in the analysis.

Analyzing induced growth is an exercise in creating and comparing forecasts of future conditions. At least two forecasts are necessary:

- *a Base or No-Action Forecast which describes future conditions in the absence of the project or plan; and*
- *an Action Forecast describing conditions in a future point in time following implementation of the project alternative or plan...*

The key in forecasting is an underlying system of logic that can produce reproducible and relatively consistent results regardless of the forecaster. It should be noted that forecasting is not the exact determination and prediction of the future, but the logical extrapolation of likely effects that will occur from known associations among different critical parts of the system. (from page IV-4)

- c. The analysis should include a specific discussion of industries that need additional natural gas capacity to operate in North Carolina.
 - d. There should be a clear connection in the discussion to support the conclusion statements.

¹ Guidance for Assessing Indirect and Cumulative Impacts of Transportation Projects in North Carolina Volume II: Practitioner's Handbook. 2001. The Louis Berger Group, Inc.
<https://connect.ncdot.gov/resources/Environmental/Compliance%20Guides%20and%20Procedures/Volume%202%20Assessment%20Guidance%20Practitioners%20Handbook.pdf>

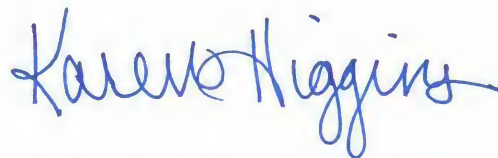
2. In addition to the more robust analysis of ICE, please also provide more details regarding the terminus of the project in the ICE document. On page 12 of the ICE, ACP states that there is no commitment to potential customers or reasonably foreseeable plans to extend the ACP beyond the current terminus. Include an explanation of the factor(s) that led to proposed terminus of the project.

Pursuant to 15A NCAC 02H .0502(e) / 15A NCAC 02B .0233 / 15A NCAC 02B .0259, the applicant shall furnish all the above requested information for the proper consideration of the application. Please respond in writing within 30 days by sending one copy of all the above requested information to the 401 & Buffer Permitting Branch, 1617 Mail Service Center, Raleigh, NC 27699-1617.

Please be aware that you have no authorization under the Section 401 of the Clean Water Act or the Neuse or Tar-Pamlico Buffer Rules for this activity and any work done within waters of the state or protected riparian buffers may be a violation of North Carolina General Statutes and Administrative Code.

Contact me at 919-807-6360 or karen.higgins@ncdenr.gov or Jennifer Burdette at 919-807-6364 or jennifer.burdette@ncdenr.gov if you have any questions or concerns.

Sincerely,



Karen Higgins, Supervisor
401 & Buffer Permitting Branch

cc: Richard Gangle, Dominion Resources Services, Inc. (via richard.b.gangle@dom.com)
Spencer Trichell, Dominion Resources Services, Inc. (via spencer.trichell@dom.com)
USACE Raleigh Regulatory Field Office
DWR 401 & Buffer Permitting Branch file

